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## **INTRODUCTION**

The Office of Internal Audit performed an audit of Greendale District, Wayne County DHS for the period April 1, 2005 through March 31, 2006. The objective of our audit was to determine if internal controls in place at the district office provide reasonable assurance that departmental assets are safeguarded, transactions are properly recorded on a timely basis, and policies and procedures of the Department of Human Services (DHS) are being followed. Greendale District had 103 full time equated positions (FTE's) at the time of our review. Greendale District provided assistance to an average 21,841 recipients per month in FY 2005, with total assistance payments of \$36,943,835.20 for the fiscal year.

## **SCOPE**

Our audit was performed in accordance with Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, and accordingly, included the audit tests we deemed necessary under the circumstances. We obtained descriptions of significant systems operating at Greendale District, documented those systems, and evaluated controls in each system. We tested the systems for compliance, where feasible. Our audit included the following:

Cash Receipts	Cash Disbursements
Safe and Controlled Documents	State Emergency Relief (SER)
Direct Support Services	Client Processing
CIMS/ASSIST	Refugee Assistance Case Review
Payroll and Timekeeping	Procurement Card
Day Care Case Review	

## **EXECUTIVE SUMMARY**

Based on our audit, we conclude that Greydale District internal controls are generally adequate to provide management with reasonable assurance that assets are safeguarded and transactions are executed in accordance with management's authorization. Our audit disclosed no instances of noncompliance with control procedures for Cash Receipts, Cash Disbursements, State Emergency Relief, Day Care, Emergency Support Services, or Client Intake Processing. We found a few instances of noncompliance with DHS policies and procedures and weaknesses in internal controls in other areas, which are detailed below.

## **DISTRICT RESPONSE**

The management of the Greydale District has reviewed all findings and recommendations included in this report. They responded on July 31, 2006 that they are in agreement with the report and have implemented corrective action for all items.

## **FINDINGS AND RECOMMENDATIONS**

### **CIMS/ASSIST/ Security**

#### **CIMS Security Agreements**

1. The Greydale District did not have the CIMS Security Agreements (DHS-3974A) on file for 2 of 109 employees who access the Client Information Management System (CIMS), as required by L-Letter 97-063. Properly completed Security Agreements are necessary to document that the worker understands the responsibilities associated with their access level and that the supervisor has approved the level of access for that worker.

WE RECOMMEND that the Greydale District ensure that all employees who have access to CIMS have an accurate, up-to-date Security Agreement on file.

#### Security Officers Log Report (VB9-173)

2. The Greydale District did not properly reconcile the ASSIST Security Officer's Log Reports. The Security Officer was not receiving the ASSIST Security Log (VB9-173) to reconcile to the updated Security Agreements/Enrollment Profiles. The Primary Internal Control Criteria for DHS Local/District Offices recommends that the Security Officer receive these reports directly for reconciliation purposes. This reconciliation helps to ensure that all transactions processed by the Security Coordinator were properly authorized.

WE RECOMMEND that the Greydale District Security Officer obtain the ASSIST Security Officers Report and reconcile it to the updated Security Agreements/Enrollment Profiles.

#### Off-Site Storage of Backup Tapes

3. The Greydale District did not maintain off-site storage for backup tapes for its Local Office Automation (LOA) System at an off-site location. Backup tapes should be stored off-site to protect them in the event of a flood, fire, or other disaster, to ensure that the District would be able to reconstruct its records if necessary.

WE RECOMMEND that Greydale District maintain backup tapes of its LOA System at an off-site storage location.

## **Safe and Controlled Documents**

### **Controlled Document Log and Monthly Inventory Reconciliation**

4. The Greydale District did not prepare a Monthly Controlled Document and Inventory Reconciliation (DHS-4351) for any Controlled Documents. Accounting Manual Item 403 states that the local office must maintain a separate log for each negotiable document and must perform a monthly inventory and reconciliation for each document. The reconciliation provides assurance that the district has properly accounted for all controlled documents.

WE RECOMMEND that Greydale District prepare and maintain inventory records and reconciliations for all controlled documents.

## **Payroll and Timekeeping**

### **Unsigned Timesheets**

5. The Greydale District had 11 time sheets not signed by the employee or supervisor. The Primary Internal Control Criteria recommends that the employee accurately complete the biweekly timesheet and the supervisor approve it, attesting to the accuracy of the time.

WE RECOMMEND that the Greydale District timekeeper ensure that all timesheets are signed and dated by the employee and supervisor.

## **Refugee Assistance**

### **Missing Documentation**

6. The Greydale District did not have complete information for the 1 case reviewed for Refugee Assistance. The case was missing the DHS-940, Refugee Reporting Form.

Program Eligibility Manual Item 630 states that the case documentation for refugees must include the Refugee Reporting Form (DHS-940). The worker must prepare the DHS-940 form at case opening, reopening and when adding a member. The worker also must forward a copy to the Refugee Assistance Program Office.

WE RECOMMEND that the Greystone District prepare the DHS-940 form to register the refugees with the Refugee Assistance Program Office, forward the form to the Program Office, and maintain a copy of in the client's permanent case record.